

# DAILY NEWS

NEW YORK'S HOMETOWN NEWSPAPER

JOHN  
RHEAMARGARITA  
LOPEZEMILY  
YOUSOUFVICTOR  
GONZALEZ

The city's Housing Authority board is sitting on a budget of nearly \$1B. Today, we reveal their shocking ineptitude and failure to do their jobs. The NEWS says:

# SACK THEM ALL

## DAILY NEWS INVESTIGATES

THE NEW YORK City Housing Authority has failed to spend nearly \$1 billion in federal funding earmarked to make life more livable in its 334 developments, the Daily News has learned. The money is supposed to repair leaky roofs, broken elevators and moldy walls in the authority's crumbling properties, but has instead collected dust while residents suffer in squalor.

**SEE PAGES 4,5,6 & EDITORIAL**

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**New York City Housing Authority Chairman John Rhea takes jog Tuesday before riding off in his city-provided car (photo below) from his uptown residence.**

Photo by Michael Schwartz



**\$197,364**

**NYCHA CHAIRMAN JOHN RHEA**

Harvard MBA who worked for years at the failed brokerage, Lehman Brothers, lives in a luxury condo in Harlem and is ferried to and from work by a NYCHA driver in a shiny black SUV.

He makes \$197,364 a year, and though he had no experience in housing when Mayor Bloomberg gave him the job in 2009, he does have experience as a landlord, owning commercial property in Detroit.

**BY LARRY McSHANE  
and GREG B. SMITH  
NEW YORK DAILY NEWS**

THEY EARN close to \$200,000 a year, ride in city-owned cars, live in tony Manhattan apartments – and are sitting on hundreds of millions of dollars intended to benefit low-income New York families.

The New York City Housing Authority and its board members have failed to spend nearly \$1 billion that it has been hoarding since 2009 to make life more livable for the 400,000 residents of its 334 developments, the Daily News has learned.

The money from the federal government is supposed to repair leaky roofs, broken elevators, moldy walls and busted playground equipment in the authority's crumbling properties.

But nearly half of the unspent dollars – \$485 million – has been sitting untouched in NYCHA's accounts for at least two years.

Some of it – \$233 million – dates back to 2009 as the agency continues to spend its money at a glacial pace.

From 2009 through this year, NYCHA received \$1.2 billion for modernization of its aging developments from the U.S. Department of Housing and Urban Development.

As of last week, \$995 million – about four out of every five dollars – remains unspent.

Meanwhile, NYCHA's highly paid board members are unable or unwilling to explain how they've left so much money to basically collect dust.

And Mayor Bloomberg, who appointed all four members of the board, has refused repeated requests for comment over several days.

"They need to be investigated,"

# DAILY NEWS INVESTIGATES

snapped Sheri Brown, a longtime resident of the Polo Grounds Houses in northern Manhattan.

"Why don't they live in public housing?" asked Brown, whose apartment complaints include problems with mold, the ceilings and a collapsed bathroom wall.

"Tell them they need to be spending it immediately – if not sooner."

The story of the staggering cash cache follows a pair of News exposés: First, NYCHA sat on

She says she has waited two years to get a simple gasket replaced on her 17-year-old refrigerator.

"We have rats, a lot of rats and mice," Romero said. "The doors don't lock, the intercoms don't work. If you want to talk safety issues, that's it."

At a public hearing last week, city Controller John Liu demanded to know why the agency is now moving to borrow an additional \$500 million while NYCHA won't spend what it already has.

"Why NYCHA is sitting on a pile of money while residents suffer and buildings deteriorate is incomprehensible," Liu told The News. Liu's predecessor, William Thompson, slammed the agency on the same issue in 2006.

Meanwhile, highly paid members of the board blamed the unwieldy bureaucracies – or refused to answer questions at all.

NYCHA Chairman John Rhea, whose perks include a city car and driver, bolted past a News reporter Tuesday without answering questions about the unspent funds. His salary: \$197,364.

Board member Emily Youssouf, who lives in an upscale Battery Park City condo, was unreachable for comment on the snafu. Her salary: \$187,147.

Board member Margarita Lopez, a former city councilwoman who makes the same salary as Youssouf, defended the agency's tortoiselike approach to spreading the wealth.

"There are unforeseen factors that have to be put in the equation," she said outside her well-appointed East Village apartment. "NYCHA got the money from the federal government."

"The federal government has different regulations and different demands."

The agency's board also includes a fourth member: NYCHA resident Victor Gonzalez, who receives \$250 a month for his service.

Red tape alone, as cited by Lopez, can't explain away the years of spending slowdowns.

The delay occurs in part because it takes NYCHA a long time to figure out what to do with the money.

A former NYCHA insider told The News the agency is hobbled by the sheer size of its mission – to oversee a population that's bigger than Boston's.

The residents live in housing stock that's rapidly falling apart – and the agency tries to please everyone.

"Everything at NYCHA takes forever," the insider said. "It's just a tough place to get things done"

Continued on Page 6



**THE NEWS SAYS: Mr. Mayor, hold your people accountable.**

**SEE EDITORIAL, PAGE 30**

\$42 million that was meant for security cameras in high-crime city developments.

And second, it failed to spend \$17 million to renovate a Brooklyn housing project – leaving a vacant ghost town for more than a decade.

Residents are furious.

"They give us an outrageous expected time for complaints if we file them," said Tarcey Romero, 37, of the Soundview Houses in the Bronx.



MICHAEL SCHWARTZ

**\$187,147****BOARD MEMBER EMILY YOUSOUF**

Appointed by Bloomberg to a five-year term in 2011 — makes \$187,147, lives in a penthouse condo in Battery Park City and owns a second home in the Hamptons with in-ground pool and floor-to-ceiling windows. Has access to car service for business needs. She has a finance background at JPMorgan Securities, but also housing experience running the city's Housing Development Corp., where she built 37,000 units of affordable housing.

**BOARD MEMBER VICTOR GONZALEZ**

The only board member who actually lives in NYCHA housing, and his position is considered part-time, paying a paltry \$250 a month. Appointed by Bloomberg in 2011, the long-time tenant advocate has resided in public housing for 50 years.

**BOONDOGGLE BY THE NUMBERS****\$1,202,431,020**

FEDERAL FUNDS  
AWARDED SINCE 2009

**\$995,242,388**

FEDERAL FUNDS  
YET TO BE SPENT

**400,000**

RESIDENTS IN  
NYCHA DEVELOPMENTS

**178,000**

APARTMENTS

**5%**

OF CITY'S  
POPULATION

**232,000**

MORE IN SECTION 8  
SUBSIDIZED APARTMENTS

**334**

DEVELOPMENTS

**20%**

OF CITY'S CRIME

**4**

MEMBERS OF  
NYCHA'S BOARD

**\$187,147****BOARD MEMBER MARGARITA LOPEZ**

A former City Council member from the lower East Side who abandoned the Democratic Party to endorse Republican Bloomberg a year before he appointed her to the board in 2006. She makes \$187,147 and lives in a renovated apartment building in the East Village. Has access to car service for business needs.

# Incompetent. Overpaid and underworked.

# DAILY NEWS EDITORIAL

## Do your duty, mayor

**M**ayor Bloomberg must fire the entire top leadership of the New York City Housing Authority on grounds of rank and harmful incompetence.

Chairman John Rhea and board members Emily Youssouf, Margarita Lopez and Victor Gonzalez have utterly failed to rescue tens of thousands of New Yorkers from substandard and even dangerous conditions — while sitting on almost \$1 billion targeted for critically needed maintenance and renovations.

The Daily News now documents the board's dereliction in putting that mammoth pile of federal funding to proper use.

They get the money in annual installments and, unconscionably, they let it sit for two, three or four years before anyone fixes a leaky roof or replaces rattling windows with it.

While the housing developments deteriorate.

While tenants wait months for repairs.

While the cost for the planned work rises.

Ineptitude of this magnitude starts squarely with Rhea, Youssouf and Lopez in NYCHA's highly paid executive offices and fits distressingly into a pattern of letting down their residents to the point of jeopardizing lives and safety.

The News uncovered in July that, over eight years, the City Council allocated \$42 million to NYCHA for the installation of security cameras.

Yet NYCHA had not spent a penny of the funds, had not put up a single camera, had not beefed up the protection of residents who cope with some of the highest crime rates in the city.

On its own, the camera debacle was a serious blot on the records of Rhea, Youssouf, Lopez and Gonzalez, NYCHA's tenant member — one that prompted mayoral attention and promises of ac-

tion. Now, though, it stands with the billion-dollar-boondoggle to establish a damning picture of officials who simply have not gotten the job done while having the resources to far better serve the public.

Rhea, Youssouf and Lopez are particularly well-paid Bloomberg appointees. Rhea's salary is \$197,364, while Youssouf and Lopez pull down \$187,147. Much was expected of Rhea and Youssouf because they have solid résumés, while Lopez was a former councilwoman whom Bloomberg rewarded with a cushy job after an election endorsement.

The two brighter lights appear to have been swallowed by the NYCHA bureaucracy.

Press aides have offered hollow explanations and justifications, as has Rhea (photo).

Amazingly, for example, they blamed the Council for giving NYCHA sums of money for cameras that the agency hadn't planned

for. They also say that federal regulations permit NYCHA to take as long as four years to spend repair funds — so what's the problem?

There's no one problem. No, actually, there are thousands in all the apartments where residents are waiting for repairs. Managers better suited to moving an entrenched, slothful organization would long ago have mounted a crash campaign to execute at least, say, a half-billion dollars worth of renovations in record time.

That's still doable. That's still imperative. It will happen only if Bloomberg holds Rhea, Youssouf, Lopez and Gonzalez to account in keeping with his style elsewhere in his government. As he does so, the mayor must also reckon with the undeniable truth that NYCHA became a backwater on his watch to the detriment of too many low-income New Yorkers.

